This assurance I can give you on behalf of the Bombay people.

Another important thing is, industrialisation of sugar factories, spinning mills, fruit processing industries, horticulture development programmes and all other demands from Maharashtra should be met within no time. There are demands for proper road communication, conversion of State Highways into National Highways. These demands of Maharashtra are pending for the last several years.

Coming to special financial assistance for irrigation projects, Krishna-Godavari projects are not completed. If we could not complete those projects by 2000 A.D., Maharashtra will not get any water. All our plans will fail. Therefore, special financial assistance should be given for the irrigation projects which are to come up in the Krishna and Godavari Valleys. Now this is [2 p.m.] the last request I am making, Madam. While raising some starred question and some other items in this House, I have said this. We have laid the HBJ pipeline from Bombay High to Jagdishpur, and we are installing the sixth fertiliser plant. On the same lines, we demanded in this House that we must have some pipeline which could carry the Bombay High gas from Maharashtra to South India. It should go through Maharashtra, Vidarbha, Marathwada, Karnataka, Andhra Pradesh and Tamil Nadu. Like this there should be a pipeline which can carry Bombay High surplus gas. Instead of flaring of the gas worth Rs. 1,400 crores per year, please have another pipeline and carry the gas to South India so that the farmers of South India will be benefited.

With these few lines, I support the Budget whole-heartedly.

Contd.

Thank you very much, Madam.

THE DEPUTY CHAIRMAN : I will call the names. The Members are not here.

Mr. Rajendra Prasad Mody.
Mr. Jagmohan.
Mr. Bhupinder Singh Mann.
Mr. Swaminathan.

Now nobody is here. So, I think we can adjourn the House for half an hour. At 2.30 p.m. we will meet because Mr. Gujral has requested for permission to speak at 2-30 p.m., and at 3-00 p.m. we will have the Finance Ministre's reply.

SHRI VITHALRAO MADHAVRAO JADHAV : Madam, I should have been given more time because nobody is present.

THE DEPUTY CHAIRMAN : Just because nobody is there, you cannot keep on speaking. There should be some procedure.

SHRI JAGDISH PRASAD MATHUR : He can. The quorum may not be there, but he can go on speaking.

THE DEPUTY CHAIRMAN : The House is adjourned till 2-30 P.M.

The House then adjourned for lunch at two of the clock.

The House reassembled after lunch at thirty-four minutes past two of the clock, **The Vice Chairman Shri V. Narayanasamy** in the Chair.

THE BUDGET (GENERAL), 1993-94—Contd.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Mr. Bhupinder Singh Mann.

श्री भूपेन्द्र सिंह मान (नाम-निर्देशित) : उपाध्यक्ष जी, धन्यवाद ।

THE VICE CHAIRMAN (SHRI V. NARAYANASAMY): You have to be brief because only ten minutes have been given to you.

श्री भूपेन्द्र सिंह मान : कोई बात नहीं, अभी गुजराल साहब नहीं आए, इसलिए मुझे दे दिया गया ।

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Don't refer to Mr. Gujral. You have to speak.

श्री भूपेन्द्र सिंह मान : बजट 1993-94 को आज हम देख रहे हैं । तो इस बजट में देखते हुए मैं यह देखता हूं कि किसानों के ऊपर इस बजट का जो प्रभाव पड़ रहा है, उसका हिसाब लगाते हुए अगर देखा जाए, तो किसानों को उनकी खेती, पैदावार के ऊपर इधर-उधर ले जाने के रास्ते में पाबंदियां जो लगती हैं, खेत उपज के जो ग्राहक हैं, उनको डरा-धमका कर सरकार खेती लेवी प्रोक्यूरमेंट के जरिए प्रोक्यूर करना चाहती है । उनको रास्ते में रोका जाता है, रेलों की उनकी पाबंदियां है, रेलों की प्रायटीज और हैं, उनको दी नहीं जातीं और लेवी प्रोक्यूरमेंट करने से उनको जो नुकसान होता है, किसानों को उनकी पैदावार का प्रासेस न करने देना, जैसे किसान को उसकी उपज पैंडी से चावल न निकालने देना, उसको गन्ने से चीनी न बनाने देना, उसके अल्कोहल बनाने देने में रुकावटें खड़ी करना, ऐसे ही उसके दूध से उसको पनीर वगैरह कुछ न बनाने देना, यह सारी खेत उपज से उसको प्रासिस करने देने की जो रुकावटें हैं उसको कोटा परमिट लेने पड़ते हैं और उसको दिये नहीं जाते, ऐसे ही उसको मार्केट के रास्ते में जाने की रुकावटें मैंने बताईं ।

अब उसको इनपुट्स जो लेने होते हैं, उसकी मजबूरी है कि जहां-जहां से सरकार चाहती है, वहां से ही उसको इनपुट्स लेने हैं । अगर दुनिया की मंडी से उसको सस्ता इनपुट्स मिलता हो, तो उसके रास्ते में रुकावटें डाली जाती हैं, जैसे कि फर्टिलाइजर ही दुनिया की मंडी में सस्ता है, लेकिन उसको यहां खरीदने नहीं दिया जाता । यहां अब भी सब्सिडीज देते हुए भी उसको जो फर्टिलाइजर लेना पड़ता है, वह दुनिया की मंडी से महंगा मिलता है ।

किसान की उपज को मंडी में न ले जाने देने के रास्ते में सरकार बाहर से सस्ती चीजें मंगवा कर यहां डम्प करती है । अभी थोड़े समय पहले गेहूं लाकर यहां डम्प की गई, दूध पाऊडर बाहर से लाकर यहां डम्प किया गया, जिससे यहां किसान के दूध की कीमतें कम हुई हैं ।

तो यह सारी रुकावटें किसान के रास्ते में खड़ी की जाती हैं, अब यह कोई लुका-छिपी की बात नहीं कि किसान को यह जो सबसिडी के नाम पर धोखा दिया जाता है कि उसको सब्सिडीज दी जाती है, वास्तव में उसके ऊपर टैक्स है और यहां तक कि स्टडीज़ सामने आ गई हैं कि 36.74 प्रतिशत किसान के ऊपर इन सब्सिडीज के नाम पर टैक्स लगाया जाता है । कितना बड़ा टैक्स है । इसको अगर और गंभीरता से देखें, तो सन् 1980-81 में चावल के ऊपर उसकी पैदावार का 43 प्रतिशत उसके ऊपर यह टैक्स था । ऐसे ही उसी साल में गेहूं के ऊपर 38 प्रतिशत, यही टैक्स था ।

इससे आगे चलते हुए अगर देखें तो 1990-91 में चावल के ऊपर 118 परसेंट टैक्स जो उसकी प्रोडक्शन के ऊपर टैक्स है, जो सरकार यह उसको करने नहीं देती, उसके रास्ते में रुकावटें खड़ी करके जो उसका नुकसान करती है, यह उसका टैक्स है । ऐसे ही 1990-91 में जो गेहूं के ऊपर यह सब्सिडी वाला नैगेटिव टैक्स रहा, नैगेटिव सब्सिडी रही, यह 115 परसेंट बनता है ।

तो इन हालात को देखते हुए मैं सदन को यह बताना चाहूंगा कि किसान की एक लाख बीस हज़ार करोड़ रुपये की खेती की उपज इसके ऊपर इतना बड़ा टैक्स 100 परसेंट से भी ऊपर का टैक्स अगर लिया जाता है कुछ वस्तुओं पर और ओवरआल इसके ऊपर अगर 36-37 परसेंट टैक्स लिया जाता है, उसके प्रोडक्शन पर, तो इतना तो सरकार की कुछ

मद्दें, जैसे कैपिटल रिसीट्स हैं, उससे ज्यादा यही, उसका टैक्स बन जाता है ।

तो एक तरफ तो सरकार कहती है कि किसान के ऊपर टैक्स नहीं है और दूसरी तरफ सरकार उससे इतना ज्यादा टैक्स ले रही है । पचास हजार करोड़ के आसपास यह टैक्स जो किसान से इनडाइरैक्ट टैक्स के रूप में लिया जाता है....

यह एक किसान को उसकी प्रोडक्शन बढ़ाने के रास्ते में रुकावट खड़ी करने जैसी बातें हैं जो कि कुछ वेस्टेड इन्टरेस्ट्स जो किसान को स्क्वीज करना चाहते हैं, जो किसान को चूसना चाहते हैं, वह उनके हित में जाता है और यह देश के हित में नहीं है । किसान की पैदावार अगर बढ़ती है तो देश की आमदनी बढ़ेगी और किसान दुनिया की मंडी में कंपीटीटिव काम करने लगे तो यह देश के हित में होगा और देश आगे बढ़ पाएगा । आज तक हमने देश की पैदावार जो कृषि उपज है उसको बाहर भेजने के रास्ते में रुकावटें खड़ी की हैं अभी इन हालात को अगर बाकी दुनिया के मुल्कों में देखें तो किसान बाहर की दुनिया के मुल्कों को तो सबसिडी 90 प्रतिशत तक मिलती है और यहां हमें नेगेटिव सबसिडी अर्थात् उसको टैक्स लिया जाता है 36 प्रतिशत तक । तो यहाँ का किसान दुनिया की मंडी में कैसे जाकर कंपीट करके अपने देश के लिए फारेन एक्सचेंज कमा सकता है और देश को आगे बढ़ाने में अपना योगदान दे सकता है ? यह जो देश की पैदावार को न बढ़ाने के रास्ते में रुकावटें हैं उनको दूर करना चाहिए । इस वक्त यह जो कोटा परमिट सिस्टम चल रहा है जिसमें किसान को उसकी चीज की पैदावार को प्रोसैस करने की इजाजत नहीं है, यह जो लोग आज भी चाहते हैं कि कोटा परमिट सिस्टम चलता रहे, उनके लिए इसमें इन्टरेस्ट है । वे आज भी नहीं चाहते कि इसको खत्म किया जाए मैं समझता हूं कि किसान को हमने 4-5 साल तक दबाकर रखा है और उसको दुनिया की मंडी के मुकाबले में आगे आकर मुकाबला करने की इजाजत नहीं दी । किसान ही आज भी समर्थ है इस देश को आगे बढ़ा कर दुनिया की मंडी में मुकाबला करके देश को आगे ले जाने वाला किसान ही है । इसलिए किसान के रास्ते की सभी मुश्किलें जो कि पैदा की हुई हैं और जान-बूझ कर पैदा की हुई हैं कुछ वेस्टेड इन्टरेस्ट्स की वजह से, उनको बिल्कुल हटा देना चाहिए और यही देश के हित में है । किसान अब भी वह नहीं चाहता कि उसे कोई सबसिडी मिले, क्योंकि सबसिडी के नाम पर उसको धोखा दिया जाता है । यहां एक कहावत आम तौर पर चलती रही है कि धेली देकर हवेली लेने की बात, आज भी सरकार सबसिडीज का दाम एक धेली देकर उसकी हवेली लेने की बात अगर सोच रही हो तो इतनी देर तक तो किसान को बेवकूफ बना कर देश का नुकसान होता रहा है, अब मैं समझता हूं कि किसान को बेवकूफ बनाने वाली जो हालत है वह खत्म होनी चाहिए, क्योंकि किसान भी यह समझता है कि यह देश अब उसको ज्यादा देर तक बेवकूफ बना कर देश की हालत दुनिया की मंडी में नीचा गिराकर देश का स्वाभिमान नीचा गिरा रही है । वह भी समझता है कि अब हम इसको आगे ले जाने के लिए समर्थ हैं, हम इस देश को आगे ले जा सकते हैं । इसलिए मैं चाहूंगा कि सरकार यह जो दखलअंदाजी है किसान की उपज को कोई और प्रोसैस करे, किसान न करे, इसके रास्ते में जो कोटा परमिट लाइसेंस लेने की रुकावटें हैं, वे बिल्कुल खत्म होनी चाहिएं । किसान खुले तौर पर अगर वह गन्ने से चीनी बनानी चाहे वैक्यूम पैन सिस्टम में तो मुझे कोई तर्क नजर नहीं आता कि किसान को क्यों रोका जाता है कि वह खुद गन्ने से चीनी नहीं बना सकता ? मुझे कोई तर्क नजर नहीं आता कि किसान अपने पैदा किए हुए पैडी से चावल न निकाल सके । उसको लाइसेंस परमिट कोटा लेने की भीख मांगनी पड़े । उसमें रिश्वत इतनी चलती है, किसान को देने के लिए मजबूर किया जाए । तो ऐसे ही कपास की मिलें जो रिश्वत कोटा के जरिए मिलती हैं वह लेने के लिए किसान को मजबूर किया जाए । मैं समझता हूं कि किसान को कंपीट करने के लिए खुली

[श्री भूपेन्द्र सिंह मान]

हवा देनी चाहिए । उसके पांवों में, उसके हाथों में जो कोटा परमिट लाइसेंस की जंजीरें डाली हुई हैं, उनको खोल देना चाहिए । किसान को आगे बढ़ने देना चाहिए । वह ही देश को आगे ले जा सकता है । इसलिए एक तो मैं चाहूंगा बिल्कुल खुला कर देना चाहिए । अब भी जो खुलेपन की आवाज आ रही है उसमें किसान की चीज को उसकी अपनी पैदावार को प्रोसैस करने की इजाजत नहीं है, और चीज की इजाजत हो गई है, काफी हो रही है, लेकिन किसान को क्यों न दी जाए ? इसलिए मैं चाहूंगा कि किसान को भी अपनी चीज को जो चाहे, जहां तक चाहे उसको प्रोसैस करने की इजाजत हो । उसको एक्सपोर्ट के ऊपर कोई पाबंदी न हो । एक्सपोर्ट के कोटे, एक्सपोर्ट के कंट्रोल, ऐसी पाबंदियां लगा कर किसान को आगे बढ़ने के रास्ते में जो रुकावटें खड़ी होती हैं ।

उसमें ब्यूरोक्रेटिक कंट्रोल एक तो रिश्वत-खोरी बढ़ाता है, करप्सन बढ़ाता है और एफीसिएंसी में रुकावट डालता है जिस कारण देश आगे बढ़ नहीं पाता । इसलिए किसान के संबंध में जो कहा जाता है कि वह कोई वैल्यू एडीशन नहीं करते हैं, वह गलत कहते हैं । मैं पूछता हूं कि एक किलो लोहे से कोई कारखाना दो किलो लोहा बना सकता है, लेकिन एक किसान कपास के एक दाने से सौ दाने बना सकता है । कौन सी जगह है जहां एक किलो लोहे से दो किलो लोहा बनाया जा सकता है ? महोदय, जितनी वैल्यू एडीशन खेती में किसान करता है, कोई उतना वैल्यू एडीशन करता है और किसान के बारे में कहा जाता है कि आपका प्रोडक्ट वैल्यू एडेड प्रोडक्ट नहीं है, इसलिए उसे बाहर नहीं भेजने दिया जाता । अगर एक कपास के दाने से किसान इतना कपास पैदा कर सकता है कि उससे वह कई गुना ज्यादा हो जाता है तो क्या यह कपास कारखाने में पैदा होता है ? किसान को क्यों कपास बाहर नहीं भेजने दिया जाये ? उसका वैल्यू एडीशन इतना है कि जितना और किसी उद्योग में नहीं है । इसलिए मैं चाहूंगा कि किसान को बाहर की मंडी में एक्सपोर्ट करने के लिए कोई रुकावट न हों । उसकी मिनिमम एक्सपोर्ट प्राइस हो या उसकी और जो ऐसी रुकावटें हैं, वह खत्म कर देनी चाहिए ताकि वह देश को आगे ले जा सके । किसान को दबाने के लिए, किसान को डिमारलाइज करने के लिए उसकी उपज के ऊपर बाहर से महंगी चीज लाकर यहां डम्पिंग करने वाली स्थिति खत्म करनी चाहिए ।

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : You have to conclude now.

श्री भूपेन्द्र सिंह मान : ताकि किसान डिमारलाइज न हो । इसके साथ ही हमारे यहां देश के प्रशासनिक खर्चे इतने ज्यादा हैं कि उनको कम किए बिना देश की तरक्की का कोई रास्ता नहीं होगा और ये खर्चे बढ़ते हैं तो उतनी ज्यादा गिनती बढ़ती है, उतनी ज्यादा देश को चलाने वाली ब्यूरोक्रेटिक मशीनरी बड़ी होती है और जितनी मशीनरी बड़ी होती है उतना करप्सन का साइज बड़ा होता है । इसलिए मैं चाहूंगा कि ये ब्यूरोक्रेटिक खर्चे और देश को चलाने के जो खर्चे हैं, उनमें कमी करनी चाहिए । सेवाओं में कैडर प्रणाली की जगह सीमित नियुक्तियां की जानी चाहिए । उनमें यह नहीं कि कैडर में आप एक बार आ गए, एफीसिएंसी हो या न हो बैठे रहें और तनख्वाह मिलती रहे । जो कोई काम करे उसको आगे लाना चाहिए और देश को उसे सम्मान और स्वाभिमान देना चाहिए ।

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Mr. Mann, you will have to conclude now.

श्री भूपेन्द्र सिंह मान : इसके साथ ही मैं यह भी कहना चाहूंगा कि तनख्वाह और भत्तों के ऊपर रोक लगाकर यह जो देश के ऊपर यों ही नाजायज बोझ डाला हुआ है, उसको खत्म करना चाहिए और इस देश के किसान की सामर्थ्य जो हमने उसे पिछले 45 सालों में आजमाने नहीं दी, अब उसको आजमाने देने का शमां तैयार करना चाहिए ।

आखिर में, एक बात और कहना चाहता हूं कि सारे देश के किसान और किसान आंदोलन हमेशा खुली मंडी की बात करते रहे हैं और खुली मंडी की व्यवस्था के लिए आज भी वह जद्दो-जेहाद में हैं । इसलिए अगर यह डंकल प्रपोजल की बात आती है, तो उसमें किसान डंकल प्रपोजल के बारे में यही कहता आया है कि खुली मंडी की बात करो । इसलिए खुली मंडी की व्यवस्था में डंकल प्रपोजल पूरे तौर पर मान लेना चाहिए और लागू करना चाहिए, यही मैं कहना चाहता हूं । आपने समय दिया इसके लिए आपका धन्यवाद ।

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Shri Inder Kumar Gujral. Not here. Now the Finance Minister can reply.

SHRI JAGESH DESAI (Maharashtra) : I want to speak.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : How much time will you take ?

SHRI JAGESH DESAI : As much time as you can give.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : You can speak only for ten minutes.

SHRI JAGESH DESAI : I cannot finish within ten minutes. It is impossible.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Mr. Gujral, your name was called out. You were not here.

SHRI INDER KUMAR GUJRAL (Bihar) : I beg your pardon. I apologise for that.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Yes, you can speak now, but be breif.

SHRI INDER KUMAR GUJRAL: Mr. Vice-Chairman, Sir, unfortunately the agenda for the Budget had been moved in such a way that I was not able to keep my other commitments and cope with this also. As it is, today at 3O' clock we are having a meeting of the Commerce Committee for finalising the report. That is the difficulty I am confronted with.

All the time there are two or three things which I think, we are a little worried about. So far as the finance is concerned, there is one worry which I have expressed here time and again. Very fortunately we have a person of great perception as our Finance Minister whom I respect a great deal. One of the things which he has not been able to persuade me to agree with him is that we are not really getting into the debt trap....Or we have not even now got into the debt traps. If you look at the budget you see a very interesting thing. The newspapers, when the Budget came, have given graphically the break-up of the rupee, as to how a rupee comes and how a rupee goes. When you see that break-up you find that 27 paise in a rupee go towards the debt service charges. Now these 27 paise should be very telling when you realise that our Defence Budget which is, of course more than anything else, is 13 paise in a rupee. That means debt service charge is already more than twice your defence expenditure. I must compliment the Finance Minister because his persuasions in Washington always get us more and more loan. Therefore, everytime he comes back, he comes with a bag full. That full bag ultimately has to be paid. We have created an impression in the country that the day of jubilation is when we get more debts. This is a strange thing. Even in a family if you start celebrating the day when more debts are acquired, then a stage does come; when the truth comes home and things become very difficult. The learned Finance Minister would have seen the

[Shri Inder Kumar Gujral]

latest report of the UNDP which I had the time to glance through. The whole system of the International Monetary Fund is so manipulated that the more we give the more we owe. You go on doing it. If you look at the logic of debt trap of any society, this is happening, because devaluation is manipulated. Ever since we have launched on this tryst with globalisation, the Indian rupee has been constantly devalued, sometimes formally and many times informally. I mentioned somewhere in my article recently that it has gone down by 42 per cent.

I hope I am seeing the right figure. The end result is that you find that you go on paying endlessly.

This is the irony— the more you pay, the more you owe. This will go on happening in our case also. We may be very happy for a while, but I don't think we can be happy for a long time. If I may quote myself in the article that I have just written, "The new Economic Policy has been reversing many sound economic policies that we have followed in the past." What was that past ? Our past was primarily based on self-reliance, our past was based upon import substitution. For a number of years, following the Nehruvian outlook, this society has built itself. It is not that we were a zero sum country like many humpty-dumpty countries in dark continents. We are a country which has built in the last so many years after freedom, to come to occupy a very respectable position so far as industrialisation goes, so far as our economy goes. We are in a mess because of the debts that we took. Who took the debts ? How were debts taken ? How were the debts squandered ? I will not enter into that arena because I know who did it and I know on what we spent. But the main difficulty is different now. You see, we make this country believe as if, self-reliance and import substitution are dirty words. We must get out of them and launch a new era that will go on doing what we are persuing now. Therefore, you see that increasingly we are getting deeper in debts. Even the experts have said, by the end of the Eighth Plan, if we continue doing what we are doing, our debt service charges will be approximately 32 per cent of the revenue earnings. Well, it is for the learned Minister to decide whether that will be a good day for India or that will be a day of celebration for India. That is for him to decide. I hope I will not live long enough to see that day. I don't want to see that day because I come from that generation which participated in the freedom struggle. I also belong to that generation which took pride in the policies that Mr. Nehru followed. We still continue to take pride in that. If these new generations of policy makers think that they are wiser than Mr. Nehru, of course, they are welcome. I will not question their wisdom.

I will also say at the same time that what we are doing needs caution and needs understanding. The new Budget, as we have seen, is gradually shrinking the nation—building prospects. The hon. Finance Minister can get up and say, "Well, this year, I have given more money for education than what I had given last year". That is no comparison because last year it was the worst. So, this year it is slightly better than the worst. That is not the issue. The issue is that everything that builds a nation ultimately is shrinking and everything that does not build a nation is expanding. This is the policy that we are following. If I had the time I would have spoken at length about the other

dimensions of the policies that India is following. My young frieds, the Minister of State for Foreign Affairs, is sitting here. I would have discussed the foreign policy. I would have discussed the various issues that are causing us anxiety. I want to make one or two points and that point is basically about Kashmir.

I think this is something which we must think over. Is everything that is happening there, all right ? Have we not reached a stage when I think as a nation and not as a party—whether we sit on this side or that side—we have to sit up and see what we can do ? Look at the entire situation. The police goes on a revolt against the para-military forces. All this is causing us anxiety and the Prime Minister of India does not think it proper even to call a meeting of all the parties to discuss the Kashmir situation. Kashmir has been slipping from one situation into another. If there is an area where we are anxious today, I think it is Kashmir. Something has to be done. A few days ago I had mentioned about the IOC Conference. Unfortunately, yesterday I was out of town and so I could not come to the Consultative Committee meeting. But whatever I see from the report, I support the Government of India's stand. I think the policies that we are following as a fall out of the IOC are to be redoubled. I think IOC is a platform which is coverting itself into a sort of a follow-on organisation of what Pakistan says. We have several countries in the organisation which are very friendly to us.... (*Interruptions*)....

SHRI N.E. BALARAM : It is IOC.

SHRI INDER KUMAR GUJRAL : I am sorry. I stand corrected. But it means the same thing whether you put the word 'Organisation' first or 'Islam' first. It means the same. The point that I was making is, I hope my young friend will kindly help us in that and help the country in redoubling all efforts on a bilateral basis. We must take this front feel and realise that friendship with India has always been more profitable and will continue to be profitable for each one of them, be it Africa, Asia or be it the Arab world. India's history has been that in every crisis of this region India has upheld their cause. It is not that India's cause is in danger. I do not think so. But definitely their diplomacy must see through the type of propaganda that they are being subjected to and I think that is where our whole effort has to be concentrated on. I am sorry I am closing. But it is not because you are asking me but because I have to attend a meeting at 3 O' clock the Committee on Commerce meeting.... (*Interruptions*)....

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY) : Now the Finance Minister shall reply.

SHRI INDER KUMAR GUJRAL : Before the Finance Minister gets up, I offer him apology as I will not be present here while he replies to the dabate. Please don't consider it as impertinence on my part.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) : I am very grateful to all the Members who have taken part in this debate on the Budget for 1993-94. As I scanned through the records of the debate I could discern a couple of issues which have agitated the minds of the Members and I will make the best use of this reply to the debate to clarify some of the issues.

[Shri Manmohan Singh]

3.00 P.M.

[**The Deputy Chairman** in the Chair.]

I sincerely believe that many of these issues which have been raised in the debate are taken care of adequately in the Budget that I presented in February. Before I reply to the various points that have been raised in the debate, I would like, Madam, to draw the attention of this august House to the basic objectives of the Budget as outlined in my Budget Speech. I listed six basic objectives : (1) To bring about a greater sense of fiscal discipline and, to that extent, fiscal deficit has to be reduced. (2) The room for manoeuvrability made possible by the fiscal consolidation of the last 22 months has to be used to step up investment and expenditure, particularly, on anti-poverty programmes and social services. (3) We should plan for a strong industrial recovery in 1993-94 leading to a vigorous boom in the succeeding years of the Eighth Five Year Plan. (4) We must press ahead with tax reforms towards a simpler tax system with moderate rates and greater focus on voluntary compliance. (5) Full support must be given to agriculture and agro-processing activities because agriculture, after all, is the foundation of our economic growth. (6) We must devise a policy framework which gives exports the highest possible emphasis making it truly the national endeavour. It is against this background that I would like this House to judge whether the Budget meets the challenge of the times or not. As I mentioned, Madam, there has been concern about inflation. I share the concern of the Members of this House with regard to inflation. But we must also look at the improvement that has come about in the inflationary situation. Mr. Balanandan referred to various statistics. I don't want to go into various statistical quibbles. But I will challenge everybody that by any yardstick, whether you take the average rate of inflation or point-to-point rate of inflation or you take the consumer price index for the industrial workers or consumer price index for the agricultural workers or the wholesale price index, on every conceivable basis, since the last year, there has been a distinct, very creditable improvement on the inflation front. We are, today on a point-to-point basis with an inflationary rate of no more than 6.4 per cent which is the trend rate of growth if you look at the past 40 years of the Indian economy. I am not satisfied with this performance. I believe that in the next few years, India must aim high. Today, the rest of the world does not tolerate an inflationary rate of more than three to four per cent. We must, therefore, have an ambition to bring our inflationary rate further down and, that means, there must be greater fiscal discipline. We must press ahead with the task of fiscal consolidation. This year's fiscal deficit will be about 4.7 per cent of GDP. Next year, we must reduce it to four or even below. That is the only way we can bring down inflation. The experience of the last one year clearly brings out two things. First of all, if we want to control inflation, we must have a strong fiscal discipline. Secondly, the supply side of the economy must be well-managed. And last year, we clearly saw that despite administered increases in the prices of fertilisers despite the increase in the prices of such essential commodities like steel, coal, and petroleum products, the inflation rate was brought down and that bring me back to the supreme necessity of keeping the fiscal system in good shape. The Central Government has made a sincere effort in the last 22 months to set the fiscal house in order.

I have urged that the State Government need to do the same thing because they are today in the State sector. Several public sector enterprises, particularly the State electricity boards, the State road transport corporations, irrigation departments are a neck burden on the exchequer of the States.

Several hon. Members referred to the need to increase investment in agriculture. I share their concern. But agriculture basically is a State subject and you cannot increase investment in agriculture if the States' finances remain in such a shambles as they are, if we lose roughly Rs. 6,000 crores on electricity generation in our country. The national goal is a minimum rate of return of 3% on fixed investment in the power sector. But as against a 3% growth, last year the combined rate of return in the country was a negative figure of over 25%. Losses of State electricity boards amount to Rs. 6,000 crores per annum. We need power. Without power, there can be no meaningful economic development and, yet, how is this country going to find resources for the generation of power if the power sector is so run as to incur year after year losses as high as Rs. 6,000 crores per annum ? I urged the hon. Members that we must evolve a viable national consensus for sound fiscal management of our economy. Without that, there can be no effective control of inflation or even sound development.

The second thing I do want to touch upon—several hon. Members have raised this issue—is, what this Budget does for agriculture ? I have already mentioned that agriculture basically is a State subject and, therefore, what happens to public sector investment in agriculture will largely depend upon the state of the States' finances. But in so far as the Central Government is concerned, we have increased the Plan allocation for the agricultural sector by over 35% and it will be our effort to strengthen in every possible way our agriculture. Now, how are we going to do that ? Mr. Mann referred to the restrictions on the movement of commodities. I stated in my Budget Speech that it was the policy of the Central Government to extend the benefits of liberalisation to agriculture; that we are not in favour of administrative restrictions being imposed on the movement of foodgrains from any part of our country. That is the broad thrust of our policy. Together with remunerative prices for farm produce, we are in favour of removing various administrative restrictions which come in the way of our farmers getting the full economic rate of return for their labour.

In addition, in so far as the bank credit is concerned, I mentioned that we were planning in the current year to increase the agricultural institutional credit by over 20%. While I am on this subject, I should like to share with this House the sad state of affairs of the agricultural credit system in the last three years. I am not scoring a polemical point or a partisan point but the sad truth is that after the loan waiver scheme of 1990, agricultural credit system has suffered a grievous blow, repayment has suffered. Cooperative societies, commercial banks are finding it more and more difficult to persuade farmers to pay old debts because there is a climate of permissiveness. Hitherto I believed that since agriculture was so vital for our economy, agricultural inputs must be provided to farmers at moderate rates of interest. To that end, we need to develop a broad national consensus that we will not allow partisan politics to play havoc with vital national institutions

[Shri Manmohan Singh]

like the banking system because once you weaken the national ability to provide more credit to agriculture or to any other vulnerable sections of our society, the growth prospects of the country would suffer grievously and this we must avoid at all costs. Beyond that, what are we doing for agriculture ? I mentioned in my Budget Speech that we are reducing the levels of protections that had been given to the industry in the past.

These levels of protection might have been originally justified. But they have outlived their utility and it is our intention to progressively reduce these rates. And, if you reduce the protection level for one sector, who will be the greatest beneficiaries ? Seventy per cent of our people live in rural India and, therefore, with the reduced protection over a period of time which we will bring about without hurting our industry, the biggest beneficiary of the liberalisation of the import policy regime will be the farming community. Therefore, I venture to suggest to this august House that we have today a policy framework for agriculture which is something which has never happened in this country.

A reference was made to the high cost of fertilisers. I do share the concern of the Members that something ought to be done and the Government has already announced the continuation of the Rs. 1,000 subsidy for complex fertilisers and the announcement was made in the other House by the honourable Minister of Agriculture yesterday. I would once again assure the House that agriculture is something which is the foundation of our economy and we will not do anything which hurts agriculture or which comes in the way of utilising the tremendous economic potential that exists in our country for the development of agriculture including the development of export prospects for agriculture.

There is another issue which was referred to by several honourable Members and that is the issue of employment.

What does the Budget do for employment? Now, how can employment grow in our country ? Dr. Murli Manohar Joshi referred to the Chinese growth rate. Now, I entirely agree with him that if our economy continues to grow at the rate of three per cent or four per cent, there is no chance of generating any gainful employment opportunities for our people. So, we have to do something, to do what the Chinese have done. We have to match that sort of dynamism which the Chinese economy has exhibited in the last ten or twelve years. And, what is that dynamism ? We have to increase our investment rates and we have to increase our savings rate and we have to strengthen the sense of social discipline which have been the hallmark of our society like China, and if India does not take appropriate lessons from what is happening not only in China, but also....

DR. MURLI MANOHAR JOSHI (Uttar Pradesh) : You have destroyed the discipline in this country.

SHRI MANMOHAN SINGH : ....What is happening in East Asia, in South East Asia, etc., and if we do not draw appropriate conclusions from that, I think this country, as I have said in my Budget Speech, may enter the 21st century as the poorest country in Asia. That is a prospect which we must avoid at all costs.

With regard to the specific issue of employment, employment can come out of a higher rate of growth and employment cannot come about on the basis of a shattered fiscal system, a collapsing economy or double-digit rates of inflation. We have to create conditions in which growth can be accelerated. I do hope that next year the growth rate will go up. We also believe that growth, though essential it is, is not a sufficient condition for more employment opportunities, particularly for the poorer sections of our society, and that is why we must strengthen, alongwith the impulses to growth, the programmes for the poor, the programmes of poverty alleviation, and in this Budget, the provision for the Jawahar Rozgar Yojana, for rural employment programmes, has been increased by as much as 62 per cent and the overall provision for the Department of Rural Development has been increased by over 36 per cent. All these programmes, of safe drinking water supply, of rural roads, of rural employment, if they are implemented honestly and sincerely, I venture to think, will make some dent on the problem of unemployment in rural India.

Now, as regards the medium-term perspective, ultimately, we have to develop a pattern of industrialisation which generates more employment opportunities as our economy grows. In the 1980's, our industrial production grew at the rate of, say, about eight per cent per annum. Yet we all know that the organised private sector did not generate any new jobs. How did it come about? Because our past patterns of economic policy planning gave excessive encouragement to capital-intensive projects as against labour-intensive projects.

The pattern of protection of excessive import substitution at whatever cost was one of the major reasons why employment in the process of industrial production did not grow as fast as it could. Now that we are trying to moderate the rates of protection, I do believe that we will evolve in future a pattern of industrialisation which is more employment intensive, which integrates the rural economy and the urban economy, which reduces the differences in real wage rates between agriculture and the rest of the economy. And, therefore, the success of the new economic policy, I venture to think, will make a sizable dent on the problem of unemployment as a whole.

Dr. Murli Manohar Joshi, Mr. Balanandan and several other Members referred to the problem of external debt. Madam, external debt burden is certainly onerous. And it must be our national effort, over a period of time, to reduce this burden. But, how can we reduce this burden? The only way in which you can reduce this burden, other than by repudiating your debts, is by having a current account surplus. Now, a current account surplus cannot be built overnight. And how do you build the current account surplus ? Either you contract your imports or you expand your exports. We must do both. But, all this, from a situation in which our Government came into office with a current account deficit of as high as 3.5 per cent of our GDP, we cannot overnight move to a surplus. We are, therefore, planning to reduce this current account deficit from 3.5 per cent to less than 2 per cent this year. And in 1994-95, it is our ambition to reduce it to no more than 1.2 per cent. And as we go along, I think, towards the later part of this decade, we will be in a situation where we will be on balance and thereby we will generate surplus on the current account so that we can return our external debt gradually. Any other

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strategy would be extremely disruptive. After all, if we work today to curb imports, what would be the consequence ? In 1991-92, severe curbs were imposed on imports. Then, essential commodities like petroleum, like fertilizers were being financed on the basis of three months' loan. And then what were the consequences ? Industrial production fell to zero. Unemployment rose. Inflation rose to double digits. Now, therefore, this cannot be done overnight. Over a period of time, the only viable strategy is that together with efficient import substitution, we must promote exports. And that is precisely what the new economic policy does. It strengthens economic incentives in favour of exports. I wish to point out to this House that this is one area where in the last 40 years, our national effort has been less than adequate. And that is one major reason why most countries of East Asia and South-East Asia, and even small countries have gone far ahead of us. Today, China, for example, has exports which are equal to about 18 per cent of its gross domestic product. We are nowhere, even 8 per cent. And if China has taken it far more seriously next to Japan, China has the largest trade surplus with the United States—if China has taken it more seriously, it is not for nothing. It is because of strong foundations of economic growth, strong balance of payments position, strong export performance, that China has developed over a period of time. We have to do the same thing. if we have international ambitions, if we want to become truely self-reliant. If we want to reduce our dependence on the rest of the world, the only *mantra*, the only solution that will make it possible is a strong, vibrant, export growth. And, therefore, if we are in favour of a strong export growth, then we must gradually reduce the levels of protection. We must make the Indian industry more and more competitive because with import tariffs of 200 per cent or 300 per cent, nobody has any incentive to become efficient.

With capital goods being imported at 100 per cent duty, you can never hope that we can become internationally competitive, and that is why we have begun this process of gradual reduction of import duties so that Indian industry could, over a period of time, be able to compete effectively in the international markets.

Dr. Murli Manohar Joshi said that while he supports internal liberalisation, he feels that external liberalisation will be very harmful. I am afraid this distinction between internal and external liberalisation is not real. Anybody who is familiar with the structure of industrial protection in our country knows that we have strong elements of monopoly and, therefore, even if you remove industrial licensing restrictions, Indian industry will not have adequate incentive to become competitive, to reduce cost of production. Therefore, together with internal liberalisation, we need a measured dose of external liberalisation to strengthen the competitive pressure so that our industry has an incentive to take advantage of modern technology so that it has the incentive to improve its quality and improve its delivery line. Therefore, I submit to the House that this distinction between internal and external liberalisation is somewhat a false distinction.

Some Members—Mr. Balanandan, Dr. Murli Manohar Joshi and others—brought in the issue of multi-nationals. Multi-nationals are a fact of life. You have to recognise that if you are looking for technology, it is today not with the governments either of the develo-

ped countries or developing countries. If you want the best technology, it is only available today with the multinationals. Now if India has the ambition to modernise its technology, it has to learn to do business with multinationals. And while we are not alone, look at what is happening in Vietnam; look at what is happening in China. Our friends of the Left, Mr. Balanandan and others, keep on harping that we are letting the multi-nationals in and that it is somehow going to destroy our economy. I learn that the Communist Party of West Bengal has invited friends from China and Vietnam for a conclave. I hope that they will ask our Chinese friends, they will ask our Vietnamese friends as to what is their experience in dealing with the multinationals. The issue is not that we must not do business with multinationals. The issue is the terms on which you deal with them so that in the process you do not weaken your economy, and that it becomes an instrument of strengthening our saving capacity and our technological and economic capability. That is precisely the approach that our Government has. Even before 1991 Industrial Policy Resolution, foreign investment in the country was allowed on the basis of 51 per cent and 74 per cent and even 100 per cent. The whole thing was done on a case by case basis. There was a lot of bureaucratisation, lack of transparency, and even complaints about corruption were there. Now whatever the Government has done is to make the whole process transparent to reduce the scope for bureaucratic hassels, bureaucratic delays as well as scope for corruption. It is not a policy of surrender. It is a policy of taking note of the realities of the world, of doing business in an increasingly inter-dependent world. It is a policy which will strengthen the Indian industry; it is a policy which will strengthen India's capabilities to compete with the rest of the world on an equal footing.

With regard to tax reforms, some Members expressed concern about the effect of reducing import duties on India's industry. I wish to assure the hon. Members that ours is a policy of rejuvenating and revitalising India's industry. It is not a policy of deindustrialisation. Indian industry has come of age and today if you perpetuate the levels of protection of 200 per cent to 300 per cent, then you are condemning the Indian industry to technological premitivism, and we want to reverse it. Therefore, gradually we have begun a process of reducing import duties in such a manner that Indian industry's capability and ability to reduce its cost of production and to become internationally competitive will become stronger and not weak.

Wherever there are fears of foreign goods being dumped in the country, we will remain alert. We have effective anti-dumping legislations. We will not allow this country to be used as a ground for dumping goods from abroad at artificially low prices. That I assure the House. I did as much in my Budget speech and I repeat that here. I feel that the import reforms, the import duty reforms, our Government have launched will protect the Indian industries, they will reduce the cost of production, and they will make it possible for the Indian consumers, particularly, Indian farmers, to get industrial goods at much cheaper rates than has been the case before.

For example, today,—I think it was Mr. Mann who mentioned it—the complex fertilisers are available from abroad at the rate of Rs. 6,500 per tonne. Our domestic industry, because of various factors into which

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I do not wish to go, produces the same thing at Rs. 8,500 per tonne. Now, why should our farmers be made to buy this high-cost fertiliser ? Over a period of time, therefore, we must create an environment where the Indian industry becomes internationally competitive, it does not flourish at the cost of our farmers, and the development of agriculture does not become a tax on agriculture. This can only happen, over a period of time, if we have reduced levels of protection.

Then, Madam, the issue about the I.M.F. and the World Bank. This question has been raised in the House for the last 22 months. I have lived with it. What has been said today was said in July, 1991, also. It was said at that time that we were going to destroy the country, that the inflation rate, as a result of these conditionalities, would go up, that there would be a fall in production, there would be a fall in employment. I leave it to the objective observers of the Indian scene whether these fears have come true or not. I think, after 22 months, it should be clear to any impartial observer of the Indian economic scene that our economy has come out of the atmosphere of crisis which prevailed in June, 1991, with the least hurt to our economy.

I think, today, almost the entire world recognises this fact. In a similar situation in which our economy was placed in June, 1991, most countries took about a decade to come out of such a crisis. Mexico is, today, mentioned as a success story. Mexico defaulted on its obligations in 1982. It came back into the system from 1989. Even then, in 1990, the *per capita* income and *per capita* wages were 50 per cent less than what they were in 1982. We have avoided that sort of a catastrophe. In a single year, we brought inflation under control. When we came into office, we had, next to nothing, reserves of 1 billion dollars, equal to two weeks' worth of imports. Today, we have reserves of about 7 billion dollars, equal to 3.5 months' imports.

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Therefore, Madam, this is a story of success. It is not a story of despair. It is not a story which seeks to deindustrialise or sap the creative energies. It is a story of success. We have begun well, but we have still a long way to go. We are on the right lines. I seek the support of this House for the Budget and the proposals contained therein. I feel confident that with these policies, our country, in the coming years, would see a new phase of economic dynamism, a new phase of industrial dynamism and a new agricultural development strategy. Thank you.

THE LEADER OF OPPOSITION (SHRI SIKANDER BAKHT): Madam, if you permit me, I have two small questions. Going back to the fiscal management, does it include the question of reducing public expenditure ? This is one. Secondly, what is the Government doing about plugging the holes of wasteful expenditure ? My question does not include subsidy in the agricultural sector.

SHRI VITHALRAO MADHAVRAO JADHAV: I have to ask one question. Madam, the hon. Minister has said that he is going to spend 35 per cent of the Plan allocation on agriculture. In my speech in this House I have stated that 75 per cent population of this country is dependent on agriculture. Why don't you formulate your Budget and Plan in such a way that 70 per cent of the total expenditure is made on agriculture,

rural development and allied subjects, so that the agriculturists of this country could get economic and social justice ?

SHRI VISHVJIT P. SINGH (Maharashtra) : He will do it next year.

SHRI MANMOHAN SINGH : Madam, Shri Sikander Bakht has raised very important issues. I respect the sentiments underlying his questions.

If you look at the Budget documents, you would notice that as far as non-interest, non Plan expenditure of the Government is concerned, in the last 22 months we have tried to control it in a very significant way. I am not saying that what we have done is enough. Our revenue deficit is still very high. But in the three budgets that I have presented, a sincere effort has been made to cut non-Plan expenditure. For example, in 1990-91 export subsidies were roughly about Rs. 3500 crores. We have now eliminated those subsidies. Other subsidies have also been reduced. We have also reduced the non-Plan support for loss-making public sector enterprises. Altogether I feel by 1995-96 when interest payments would also stop rising you would see a definite improvement in the non-Plan expenditure side of the picture.

With regard to the question of the hon. Member, I did not say that we are spending 35 per cent of the Central Budget on agriculture. Merely I stated that the agriculture provision in the Central Plan has gone up by 35 per cent. I would, therefore, like to correct this impression. I also mentioned that agriculture basically is a State subject, that apart from private investment unless the State Government finances are in good shape, I think the agriculture investment and other investments in the State sector would continue to be hampered.

THE APPROPRIATION (No. 2) BILL, 1993

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) : Madam, I move :

> "That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1993-94, as passed by the Lok Sabha, be taken into consideration."

The question was proposed.

श्री संघ प्रिय गौतम (उत्तर प्रदेश) : उपसभापति महोदया, भाषा और शैली तथा आंकड़ों की जादूगरी ने तो ऐसा सिद्ध किया है कि वित्त मंत्री जी ने यह जो बजट प्रस्तुत किया है यह बड़ा ही सार्थक है। उसकी सार्थकता को सिद्ध करने के लिए उन्होंने छः बिन्दुओं पर अभी जोर दिया था। पहला बिंदु उनका था, सबसे पहले गरीबी निवारण और सामाजिक संतुलन बनाएंगे, कृषि को बढ़ावा देंगे और गांवों में रोजगार के साधन मुहैया कराएंगे। इस पर सारे खर्चे का उन्होंने इस प्रकार से बजट में प्रावधान बताया कि गोया इन सबका समाधान इस बजट के माध्यम से कर देंगे।

मैं लम्बी-चौड़ी चर्चा न करके मंत्रालयों से सम्बन्धित कुछ बिन्दुओं पर मंत्री जी का जवाब चाहूंगा और कुछ प्रश्न मंत्री जी के सामने प्रस्तुत कर रहा हूं। पहला, कृषि मंत्रालय से सम्बन्धित मेरा प्रश्न है कि यदि आप कृषि को बढ़ावा देना चाहते हैं जिससे उपज भी बढ़े और लोगों को रोजगार भी मिले तो कितना प्रावधान आपने बजट में किया है, कितनी भूमि को जो बेकार हो रही है उसे खेती योग्य बनाने पर और जो खेती योग्य असिंचित भूमि है उसको सिंचित बनाने पर